GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1649
ANSWERED ON:06.03.2000
CHANGES IN THE ELECTRICITY ACTS
M.V.CHANDRASHEKHARA MURTHY

Will the Minister of POWER be pleased to state:

(a) whether attention of the Government has been drawn to the news item captioned `Comprehensive Power Act on the Cards` appearing in the `Statesman` dated February 9, 2000;

(b) if so, the details of anomalies that came to the notice of the Union Government in the existing Power Acts;

(c) whether the issue has been discussed in the Power Ministers` Conference before its implementation; and

(d) if so, the response of the various State Governments thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) to (d) : The National Council of Applied EconomicResearch (NCAER) was engaged as a consultant to advise on thelegislative changes that are considered necessary for accelerating the reform process and the policy decisions which the states and the Centre should consider for accelerating reforms. The NCAERhas submitted a draft Electricity Bill to replace the existing three Electricity Laws (The Indian Electricity Act, 1910, The Electricity (Supply) Act, 1948 and The Electricity Regulatory Commissions Act, 1998).

The draft Bill suggests corporatisation of all the State Electricity Boards and their restructuring into separate entities that would provide for accountability based on profit centres, whether public or private; and setting up/reinforcing the Regulatory Commissions on the lines of the Electricity Regulatory Commissions Act, 1998. It stresses the need for efficiency and competition with the objective of providing reliable power supply to all consumers at competitive prices. It also provides for a clear delineation of roles and responsibilities.

In order to generate a national debate on the issue and to evolve a consensus on the draft Bill suggested by NCAER, its copies have been circulated to all concerned for their comments, suggestions and advice. In the Power Ministers` Conference held on 26-2-2000, the Power Ministers/representatives of the States were requested to expedite their views/comments on the draft legislation at the earliest.